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HAWAII ADMINISTRATIVE RULES

TITLE 17

DEPARTMENT OF HUMAN SERVICES

SUBTITLE 12

MED-QUEST DIVISION

CHAPTER 1730

QUEST-SPENDDOWN PROGRAM

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SUBCHAPTER 1

GENERAL PROVISIONS

§17-1730-1 Purpose. This chapter is established to provide medical assistance to families and children who are ineligible to participate in Hawaii QUEST due to excess income and to eligible QUEST-Net recipients who require a medical service for which coverage in QUEST-Net has been exhausted or is not provided. [Eff 12/27/97] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§17-1730-2 Definitions. As used in this chapter: "Fee for service" means the method of reimbursing providers for each eligible service provided.

"Medically needy standard" means the medical standard of assistance which is equal to the financial assistance payment standard for a family of the same size.

"Personal reserve standard" means the maximum amount of countable assets that may be held by an individual or family while establishing or maintaining eligibility for medical assistance.

"Standard of assistance" means a dollar amount, against which an individual's or family's income is compared, to determine eligibility for medical assistance. [Eff 12/27/97] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§§17-1730-3 to 17-1730-5 (Reserved)

SUBCHAPTER 2

ELIGIBILITY REQUIREMENTS

§17-1730-6 General Provisions. (a) Eligibility for the QUEST-Spenddown program shall be determined when one of the following conditions exist:

- (1) A QUEST applicant or recipient is ineligible for QUEST due to excess income; or
- (2) A QUEST-Net recipient requires a medical service for which coverage in QUEST-Net has been exhausted or is not provided.

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(b) A person who has met all of requirements of this chapter shall be determined eligible.
[Eff 12/27/97] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§17-1730-7 Basic eligibility requirements.
Applicants and recipients shall meet the basic eligibility requirements described in chapter 17-1714 which include, but are not limited to, U.S. citizenship or legal resident alien status, state residency, not residing in a public institution, and social security number. [Eff 12/27/97] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§17-1730-8 Categorical eligibility requirements.
(a) A child who is under nineteen years of age or under twenty-one years of age if receiving child welfare services, foster care maintenance payments or adoption subsidy payments shall be categorically eligible for assistance under this subchapter. The child may be living with a specified relative in a residence maintained as the child's home. A home shall exist provided the relative exercises responsibility for the care and control of the child, even though either the child or relative is temporarily absent from the home. A child shall be considered living with a specified relative even though the child is under the jurisdiction of the court, or legal custody is held by an agency that does not have physical custody of the child.

Persons considered to be specified relatives of the child shall include natural parents, legal parents, adoptive parents, stepparents, siblings, adoptive siblings, stepsiblings, any blood relatives including those of half blood, first cousins, nephews, nieces, and persons of the preceding generations as denoted by prefixes of grand, great, great-great and spouses of any person named even after death or divorce.

(b) A specified relative under sixty-five years of age shall be categorically eligible only if the relative is maintaining a home for a child who is deprived of parental support due to the death, continued absence from the home, incapacity, or unemployment of one or both of the child's parents as defined below.

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- (1) The absence of either parent from the home shall interrupt or terminate the parent's functioning as a provider of support, physical care, or guidance for the child and the absence is expected to last at least one month.
 - (A) A parent shall not be considered absent if the absence is not based solely on performance of active duty in the uniformed services of the United States;
 - (B) A parent shall be considered absent from the home if the parent is sentenced by a court to perform unpaid public work or unpaid community service during working hours and is permitted to live at home.
- (2) The incapacitating condition of either parent must be expected to last at least thirty days as verified through current written medical or psychiatric reports.
- (3) A parent is considered unemployed if the parent is employed less than 20 hours per week for at least one month.
- (4) The deprivation factors of death, continued absence from the home, and incapacity of the child's natural or adoptive parents shall be considered before a determination of deprivation due to unemployment of a parent is made.
- (c) The unborn child of a pregnant woman shall be treated as if the child were born and living with the mother to determine the mother's eligibility only.
- (d) The following applicants or recipients shall be categorically ineligible for the QUEST-Spenddown program:
 - (1) Persons who are age sixty-five or older;
 - (2) Persons who are certified as blind or disabled according to the criteria used by the Social Security Administration; and
 - (3) Persons who are eighteen years old but under sixty-five years old, employed and receiving or are eligible for employer sponsored health coverage through an employer. This provision shall not apply to a financial assistance recipient. [Eff 12/27/97; am 12/03/01]
(Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

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§17-1730-9 Financial eligibility requirements.

(a) To be eligible, the assets of an applicant or a recipient shall not exceed the following personal reserve standards for a family of applicable size:

- (1) For a one member family, the personal reserve standard shall be \$2,000.
- (2) For a two member family, the personal reserve standard shall be \$3,000.
- (3) For a family of more than two members, the personal reserve standard shall be \$3,000 plus \$250 for each additional family member.

(b) To be eligible, the monthly countable family income of an applicant or recipient shall not exceed three hundred per cent of the federal poverty level for a family of applicable size.

(c) The countable family income shall be determined in the following manner:

- (1) For a pregnant woman and a child under nineteen years old who is born after September 30, 1983:
 - (A) Subtract a standard deduction of ninety dollars from the monthly gross earned income of each employed individual; and
 - (B) Add the monthly net earned income for each employed individual as well as any monthly unearned income to determine the countable family income.
- (2) For all other family members, add the monthly gross earned income of each employed person and any monthly unearned income.
[Eff 12/27/97; am 07/06/99] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§17-1730-10 to §17-1730-14 (Reserved)

SUBCHAPTER 3

TREATMENT OF INCOME AND ASSETS

§17-1730-15 General provisions. The definitions of financial support and responsibilities of Hawaii QUEST shall apply when determining countable income and assets for the QUEST-Spenddown program.
[Eff 12/27/97] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

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§17-1730-16 Determining countable income and assets. When determining financial eligibility for QUEST-Spenddown, the provisions for the treatment of income and assets of an applicant or recipient in the Hawaii QUEST program shall apply. [Eff 12/27/97; am 06/19/00] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§17-1730-17 Determining eligibility due to excess income. (a) The amount of the applicant's or recipient's monthly countable family income that exceeds the medically needy standard for a family of applicable size shall be the excess income amount.

(b) The applicant or recipient shall be determined eligible with excess income if the monthly excess income is insufficient to meet incurred medical expenses which are likely to be required on a continuing basis or is insufficient to meet the incurred medical expenses in that given month. [Eff 12/27/97; am 07/06/99] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§17-1730-18 Incurred medical expenses. (a) The following shall be within the scope of incurred medical expenses:

- (1) Prior to establishment of eligibility due to excess income, the amount of health insurance premium an applicant or recipient is paying shall be deducted from excess income. If payment is made quarterly, or at longer intervals, the amount shall be prorated on a monthly basis;
- (2) Incurred medical expenses from months prior to the month of application, except for that portion of medical bills which are subject to payment by a third party and past debts which have been forgiven by the provider, shall be deducted from the applicant's or recipient's excess income in the following order:
 - (A) Health insurance premiums, deductibles, or coinsurance charges;
 - (B) Expenses incurred for necessary medical and remedial services that are recognized under State law but not included in the medical assistance program and the expenses from months

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- prior to the month of application which were not previously considered and which remain a current liability to the applicant or recipient; and
- (C) Expenses for necessary medical and remedial services included in the medical assistance program and the expenses from months prior to the month of application which were not previously considered and which remain a current liability to the applicant or recipient; and
 - (3) Incurred medical expenses from the month of application, except for that portion of medical bills which are subject to payment by a third party, shall be applied to the spenddown amount.
 - (b) The following health insurance premiums shall not be deducted from the excess income:
 - (1) The employer's contribution to the health plan; and
 - (2) Any premium paid in whole or in part by a non-eligible person. [Eff 12/27/97]
(Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§17-1730-19 Spenddown of excess income. (a) The monthly excess income of an applicant or recipient found eligible due to excess income shall be applied to the applicant's or recipient's incurred medical expenses for the respective month.

(b) For an applicant or recipient with excess income, evidence that incurred medical expenses were greater than the excess income for a given month shall be presented before medical assistance coverage is provided.

(c) If a recipient over obligates or under obligates the spenddown amount for a given month, the recipient's spenddown amount for the following month remains unchanged. [Eff 12/27/97] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§§17-1730-20 to 1730-25 (Reserved)

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SUBCHAPTER 4

COVERAGE

§17-1730-26 Purpose. This subchapter describes the coverage provided to recipients of the QUEST-Spenddown program. [Eff 12/27/97] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§17-1730-27 Coverage and issuance. (a) Persons eligible for medical assistance in the QUEST-Spenddown program shall be provided coverage on a fee for service basis as described in chapters 17-1735 through 17-1741.

(b) The scope and contents of the QUEST-Spenddown program shall be the same as the scope and contents of the fee for service medical assistance program described in chapter 17-1737.

(c) The department shall issue medical assistance identification cards and temporary medical assistance identification coupons as described in chapter 17-1711. [Eff 12/27/97; am 05/10/03] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§17-1730-28 Effective date of eligibility. (a) For applicants, the effective date of eligibility shall be one of the following:

- (1) The date of application;
- (2) If specified by the applicant, the date on which appropriate emergency room or hospital expenses were incurred and which is within the immediate five calendar days prior to the date of application; or
- (3) If the applicant is ineligible for the month of application, the date of the subsequent month on which all eligibility requirements are met by the applicant.

(b) For recipients, the effective date of eligibility in QUEST-Spenddown shall be one of the following:

- (1) The first day of the month following the last date of eligibility in QUEST; or
- (2) For a QUEST-Net recipient eligible for dual coverage, eligibility may be retroactive to the first day of the third month prior to the month of request for QUEST-Spenddown, or

retroactive to the effective date of eligibility for QUEST-Net, whichever is later. [Eff 12/27/97] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§17-1730-29 Effective date of coverage. (a) The effective date of coverage for an applicant or a recipient, for whom eligibility is established, shall be the date on which the spenddown amount is met.

(b) Coverage shall be provided when the following conditions are met:

- (1) Part or all of the cost of the service is unpaid;
- (2) The service is covered by the QUEST-Spenddown program;
- (3) The service is medically necessary and any required authorization by the department's medical consultant is received; and
- (4) The service for which coverage is being sought was provided by a Medicaid contracted provider. [Eff 12/27/97] (Auth: HRS §346-14) (Imp: HRS §346-14; 42 C.F.R. §430.25)

§§17-1730-30 to 17-1730-33 (Reserved)

